State of California

Memorandum

Date: June 12, 2006

To: The Commission

(Agenda Distribution List)

From: Theresa Cho

Legal Advisor to Commissioner Grueneich

Subject: Discussion and Action on the Proposed Appointment of David Stephenson

to the Low Income Oversight Board

Senate Bill 580 added two positions to the Low Income Oversight Board (LIOB) effective January 1, 2006. One position is for a representative of a water corporation and one position is for a representative of the public who has expertise in the low-income community. The positions are for a one-year term commencing upon appointment by the Commission.

Commissioner Grueneich issued an ACR in January 2006 seeking applications for the new positions. After review of the applications, Commissioner Grueneich recommends that the Commission appoint David P. Stephenson to the water corporation representative position at the June 15, 2006 business meeting.

Mr. Stephenson serves as the Director of Rates & Planning at the California American Water (CAW), a position he has held since August 1986. Mr. Stephenson has worked in the water industry since November 1978. Among his achievements, he assists customers and organizations in understanding the regulatory process. Mr. Stephenson works with those

customers and organizations to promote equitable rate tariffs that promote conservation.

A member of the California Urban Water Conservation Council, Mr. Stephenson sits on the Rate Structure Committee.

Mr. Stephenson is highly qualified for the appointment and will be an extremely valuable addition to the LIOB.